



EFFECT OF MONETARY INCLUSION ON WOMEN EMPOWERMENT BY COMMERCIAL/ BUSINESS CORRESPONDENTS

Dr. Khushbu Shah

Principal, Silver Oak Institute of Management, Silver Oak University, Ahmedabad

ABSTRACT

Governments from all across the world have placed a strong emphasis on reducing poverty. The only effective strategy to combat the poverty threat is through the empowerment of society's marginalized groups. The country's poverty level can be significantly reduced by reducing inequality in wealth and income distribution. Only financial inclusion can effectively address the issue of unequal income and wealth distribution, and the government has put in place numerous programs and mechanisms to achieve financial inclusion. One significant approach put out by the Reserve Bank, the Business Correspondents approach, has enabled thousands of residents of unbanked areas to access banking services. However, the question of whether access to banking services through BCs results in women's empowerment is a crucial one. This research attempts to address this issue by conducting an empirical study and evaluating the findings based on a survey of 300 women in Gujarat who use BCs for banking.

LITERATURE REVIEW

According to Mutai & Achieno (2014), women in Kenya have improved their standard of life through microfinance programs and have become more economically independent thanks to increases in income, the creation of jobs, and asset ownership.

According to Kapoor (2014), microfinance brings banks to people's homes, particularly rural women, using models like the Self-Help Group Bank Linkage Model. This improves women's savings habits and their access to formal credit, which dramatically raises their living standards. The author has also praised BCs for their involvement in using technology-driven biometric cards to distribute benefits of government social development programs like the Mahatma Gandhi National Rural Employment Guarantee Programme to intended beneficiaries.

Based on information from 110,800 Indian households, Ghosh & Vinod (2017) discovered that there are considerable differences between males and females when it comes to obtaining and using financial resources. In comparison to households headed by men, they have shown that households headed by women have an 8% lower likelihood of obtaining formal money and a 6% higher chance of accessing informal finance. Porkodi and Aravazhi (2013) endeavoured to assess the contribution of micro finance through SHG model in empowering women through FI and found that non governmental organisations (NGOs) contributed significantly in linking SHGs and banks, resulting in the poor unbanked masses gaining access to basic financial services.

During the five-year period of 2007–12, Swamy (2014) attempted to evaluate the impact of FI using the Self Help Group (SHG) model on the empowerment of women. She discovered that FI increased the income of rural women. Because of FI, SC and ST women enjoyed higher standards of living, while women in general saw greater gains overall as a result of increased program awareness and easy access to tools that promote economic development..

In a survey conducted by Uma (2013) of 100 women in the Hunsurtaluk of the Mysore district, it was discovered that after receiving financial inclusion through the Saral accounts

approach, people's economic conditions improved.

IMPORTANCE OF MICROFINANCE

Many economists and researchers have advocated that a modest but effective program like microfinance can make a significant difference in reducing the threat of poverty. The Bangladeshi Grameen Banking model, which was first implemented in 1976, is a prime illustration of how microcredit can improve the standard of living for the underprivileged. For marginalized petty farmers, street vendors, artists, and underprivileged peasants, a microloan of \$50 can significantly improve their life. The "International Fund for Agricultural Development" (IFAD) ran a program in Vietnam to improve the economic standing of disadvantaged people in eleven regions. About 1,000 SCGs (Savings and Credit Groups) with more than 17,000 members were formed between 2002 and 2010 and improved access to microcredit for these disadvantaged people, improving small scale farm activities (RIDP, PCR and Validation, 2010).

Financial inclusion has been shown to reduce poverty and economic inequality, according to numerous researchers. By highlighting the decrease in poverty levels in India as a result of the astronomical increase in bank branches in rural areas after the two doses of nationalization of major banks between 1969 and 1980, Burgess and Pande (2005) have revealed the statistically significant association between poverty reduction and expansion of bank branches in rural areas. According to Brune et al. (2011), having a savings account has a favorable impact on villagers' welfare since increased savings enable them to access financing for buying agricultural inputs.. Allen et al. (2013) have also expressed a similar view that commercial banks can assist poorer sections of Kenyan society by improving their access to financial services.

According to a "Financial Access Indicator" developed by Honohan (2008) based on research on 160 countries, access to finance reduces poverty. 4 Therefore, it can be claimed that Financial Inclusion (FI), achieved through various methods like microfinance, contributes to a country's economic growth and prosperity and lessens the threat of widespread poverty.

FINANCIAL INCLUSION

The most significant objectives of any welfare state are economic growth and poverty reduction, for which financing must be available to all facets of society. Financial Inclusion (FI) is the state in which all social groups have access to financial resources. For a nation to experience inclusive and long-term growth, FI is very essential. "The process of making available, formal financial services to people residing in the most remote, rural, and unbanked areas to cater to their basic needs" is one definition of FI.

FI is described as "universal access to a broad range of financial services, such as banking, insurance, and equity products, at a fair price" by the Raghuram Rajan Committee in 2007. "A scenario in which some groups and individuals are excluded from accessing the formal financial system," according to Leyshon (1995). "The capacity to access necessary financial services in an appropriate form," according to Sinclair (2001), is the definition of FI. While Sarma (2008) defined FI as "the process that ensures the ease of access, availability, and usage of financial services by all members of society," Amidzic, Massara, and Mialou (2014) define FI as "an economic state where all individuals and firms are not denied access to basic financial services."

The Financial Inclusion (FI) mechanism provides low-cost access to financial services and products for the most vulnerable and underprivileged populations living in the most remote and unbanked areas of the nation. In order to eliminate inequalities in the distribution of income and wealth, FI significantly contributes to joining the most disadvantaged people with low income to formal financial institutions. This reduces the degree of poverty and promotes the inclusive economic development of a country (Kim, 2016).

WOMEN EMPOWERMENT

Numerous studies have found that women's access to credit is a significant barrier to their ability to increase their income. The ability to get finance significantly contributes to women's overall empowerment. According to a 2013 study by Kato and Kratzer, women who participate in microfinance programs have a beneficial impact on the creation of job opportunities, their ability to make an income, and the welfare of their entire family, which leads to the women's social and economic empowerment.

The absence of gender equality has frequently been brought up when discussing the problem of women's empowerment. However, because males and girls experience poverty in different ways, they are also impacted differently by programs aimed at reducing it (Zuckerman, 2002). According to World Bank (2001), there is a significant link between gender equality and the reduction of poverty and increased economic development.

Therefore, poverty can be significantly reduced in an economy by empowering women economically. Due to societal stigma, women are often subject to restrictions that hinder their efforts to improve their economic situation and access services that promote wellbeing (Zuckerman, 2002). To combat the threat of poverty and promote the entire social and economic development of any nation, the UNO has recognized the importance of eliminating gender inequality.

In order to strengthen this argument, the World Bank created goals for eliminating poverty in light of several facets of women's emancipation (Muwanigwa, 2002). One of these goals is to guarantee that women have equal access to the nation's

economic resources. Additionally, increasing the involvement of women in reducing poverty by connecting their potential and skills to other macroeconomic factors can significantly contribute to the eradication of the problem.

Without equal access for men and women to microfinance, financial services, and other economic resources, the threat of poverty cannot be effectively addressed or removed. Men and women have equal rights to economic resources, including financial services and microfinance. However, only 64% of women worldwide have access to a financial institution account, compared to 71% of men. In low income countries, where only 21% of women have accounts compared to 29% of men, the difference is even larger. Additionally, doubling the agricultural output and incomes of small-scale food producers, particularly women, is necessary to meet SDG 2's goal of ending hunger. This includes ensuring equal and secure access to land, other productive resources and inputs, financial services, and markets. Allowing women who work in agriculture to access financing will increase farm output by 20–30%, increase agricultural production in poor countries by 2.5–4% yearly, and cut hunger and malnutrition by a staggering 12–17%. Additionally, financially independent women spend more on their children's education and health, which improves the nutrition and skill development of future generations and attacks the core causes of poverty.

Additionally, as a result of economically empowered women's increased participation in the labor force, the global GDP increased by 3.6%, and the number of people living in poverty decreased by 0.5%. It is apparent that women are beginning to play a bigger part in politics, the job market, agriculture, and entrepreneurship. Still, there remains a huge disparity in the pace of advancement between men and women.

Only 49% of women worldwide participate in the labor force, compared to 76% of men. Even in official sectors, women still experience income discrimination to the tune of 23%, which is a significant amount. To add fuel, 43% of women work in unregulated industries with low earnings, uncertain working conditions, no social security, and increased susceptibility. This situation justifies more aggressive efforts to remove gender discrimination that hurts women. Women should be pushed to overcome social stigma and realize their full potential in order to fully reclaim their authority. The best option is technology, which may help significantly in combating gender inequality by providing natural and financial resources equally to men and women.

STRATEGIES FOR WOMEN EMPOWERMENT

1. Economic participation

The following components are necessary to enable women to engage in the economy:

- Possibility to generate and manage income (UNICEF, 2007);
- Combating childhood poverty;
- Increasing the number of women who participate in the formal labor market by creating more work options for them (Chen et al., 2005). Better child care services; higher educational standards; increased skill sets through efficient training and skill development centers; increased opportunities for business; and giving women a portion of property;
- promoting the registration of property in women's names, which will boost women's opportunities to acquire land ownership, close the gender gap, and

reduce gender inequality in property ownership;

2. Political participation

Women's political engagement is acknowledged by the International Labour Organization as a crucial strategy for empowering women and reducing gender inequities. Without the poorer and more vulnerable segments of society having significant influence over decision-making bodies that have a significant impact on their standard of living, inclusive economic development cannot be achieved. This suggests that in order for women to be truly empowered, they must have a greater voice in the political system as well as substantial social autonomy and independence (IFAD, 2007). The United Nations Development Programme (UNDP), 2014, promoted the following policies for the political empowerment of women:

- Enhance presence of females in public offices;
- Strengthening women organisations;
- Strengthening self-advocacy movement of empowering women;
- Proper legal protection be ensured for women;
- Make health and hygiene well accessible for women;
- Make education accessible for women. Gaining adequate political representation strengthen lobbying potentials by women which will result in the formulation of effective strategies and programmes for reducing poverty among women.

STATEMENT OF RESEARCH PROBLEM

Any government's goal is to have rapid economic growth that affects every aspect of society. It is exceedingly challenging but not impossible to provide formalized banking services to the over 148 crore people who live in India. In order to expand financial services to rural residents, banks have opened numerous branches there. However, prior experience has shown that a sizable portion of rural residents continued to be unbanked despite a boom in bank branches. Additionally, it was impractical for banks to maintain offices in every village across the nation. Additionally, the vast majority of rural residents work every day and cannot afford to leave their jobs to go to a bank. Due to these difficulties, the concept of bringing banking to rural residents' doorsteps through authorized bank representatives known as Business Correspondents emerged. BCs had the effect of promoting financial knowledge among the rural population and bringing them into the banking umbrella. According to earlier studies, having access to financial services helped people advance socially, economically, and individually. BCs made a significant contribution to the rural unbanked population's access to financial services, which is projected to result in their empowerment. This study has made an attempt to study the extent to which BCs have facilitated the rural women in Gujarat gain access to banking services and the extent to which the rural women are using the services of BCs and the level of empowerment gained by the women due to accessing and using banking services through the Bcs.

RESEARCH FRAMEWORK

The study explores the effects of access, availability, and usage of financial services on the social, economic, and personal empowerment of women while taking into account the aspects of financial inclusion through business correspondents (access, availability, and usage of financial services). Additionally, the study looks at how women's satisfaction levels with BCs are affected by the benefits they receive from them. Additionally, the effect that BCs' contentment has on their credibility.

OBJECTIVES OF THE STUDY

1. To evaluate the benefits that women receive from BCs

and the impact that these benefits have on how satisfied they are with BC services

2. Examine the degree of financial inclusion attained by women in terms of access to and use of banking services through BCs.
3. Evaluate the degree of social, economic, and personal empowerment attained by women and the influence of financial inclusion through BCs on such empowerment.
4. Determine the degree of trust vested by women in BCs and the influence of satisfaction derived from BCs on such trust.

RESEARCH INSTRUMENT

After thorough literature analysis and input from subject matter experts, a structured nondisguised interview schedule was created to help with data gathering for the study. The schedule was personally given to women who use BCs to access banking services, and the data so collected were appropriately documented, analysed, and interpreted to find answers for the research's issues by testing the hypotheses.

SAMPLE FRAME AND POPULATION

Gujarat will serve as the sample frame for this study. Study Population

Women in Gujarat who are availing banking services through BCs constitute the study population for this research.

HYPOTHESES OF THE STUDY

1. Access & availability of banking services and usage of banking services through BCs exerts significant impact on social empowerment gained by women;
2. Access & availability of banking services and usage of banking services through BCs exerts significant impact on economic empowerment gained by women;
3. Access & availability of banking services and usage of banking services through BCs exerts significant impact on personal empowerment gained by women;

ACCESS AND AVAILABILITY OF BC SERVICES

Opinion of women about access and availability of banking services rendered by BCs has been obtained using Likert's five point scale and the results are depicted in table

Access and Availability of BC Services

Statement	Mean
BCs have enabled me to avail insurance services of banks	2.57
BCs assisted me in getting locker services of bank	2.65
BCs assisted me in getting no-frill account Services of bank	2.55
BCs assisted me in getting cheque facilities of bank	2.96
BCs provided updated information about changes in interest rates of banks	2.93
BCs provide full information about new schemes of banks	3.22
BCs ensures that banks do not collect any hidden charges from me	3.89
BCs have made credit easily available	2.96
BCs facilitate ready cash transactions	3.64

Women are quite grateful that BCs shield them from banks' hidden fees and facilitate cash transactions. They have expressed average appreciation for the BCs who make it simple for them to obtain credit, who keep them informed about bank interest rates, and who provide them with check facilities, while they have expressed only modest satisfaction for the BCs who assist them in learning about new banking initiatives. Women are wary of BCs helping them open no-frills bank accounts, use locker

facilities, and obtain insurance services.

USAGE OF BANKING SERVICES BY WOMEN THROUGH BCS

The extent to which women have used the BCs to utilise the services of banks has been obtained in Likert's five point scale and the results are depicted

Usage of Banking Services by Women through BCs

Statement	Mean
I am using BC for paying insurance premium	2.95
BC has enabled me to promptly repay loans	2.81
I am utilising services of BC to Avail Overdraft	2.41
BC has influenced me to Repay OD in proper instalment without interest	2.28
BCs have transformed me into a regular bank customer	3.25
BC has facilitated me to save more in banks	3.67
I regularly use BC to check bank balance	3.72
I am regularly using BC for depositing and Withdrawal of money from bank	3.71
I am using BC for Availing bank credit	2.83

Reveals that checking bank accounts and carrying out savings, depositing, and withdrawal operations are the main reasons Gujarati women use BC services. While BCs have only moderately assisted women in obtaining credit, repaying loans, and paying insurance premiums, they have played a respectable role in converting women into regular bank clients. However, BC did not significantly influence whether or not women used bank overdraft capabilities or immediately paid interest that had accrued as a result of using those facilities.

SOCIAL EMPOWERMENT GAINED BY WOMEN THROUGH BCS

The findings of using Likert's five-point scale to measure the social empowerment that women have experienced as a result of their affiliation with BCs are shown in table. According to the table, women's involvement with BC has given them a reasonable level of knowledge of the government's special programs. These women have further stated that their connection with BCs has allowed them to receive the proper support from their family members, let them to move around freely in public spaces, and slightly enhance their business relationships. However, these women have not made any significant gains on grounds of improvement in hygiene of family, accessing quality education for children, moulding of personality and life style, enhancement of social status, reduction of social violence participation in community development activities, capacitated to bring changes in society, better opportunities for interaction with society and opposing social evils against women.

Social Empowerment Gained by Women through BCs

Statement	Mean
Improved hygiene for entire family	2.78
Access to quality education for children	2.92
Moulding of personality and life style	3.12
Enhancement of social status	2.94
Enhancement of business relations	3.32
Reduction of social violence	2.99
Freely navigate to all public places	3.36
Awareness about special schemes implemented by the government	3.45
Your suggestions getting due recognition in the family for deciding about financial matters	3.49

Participation in community development activities	2.97
Capacitated to bring change in the society	2.87
Greater interaction with society	3.13
Opposing social evils against women	3.14

ECONOMIC EMPOWERMENT OF WOMEN DUE TO THEIR ASSOCIATION WITH BCS

Economic empowerment gained by women due to their association with BCs has been obtained in Likert's five point scale and the results are displayed in table

Economic Empowerment of Women due to their Association with BCs

Statement	Mean
Raising Standard of living	3.52
Being prepared for meeting emergencies	3.73
Equipped with adequate savings to meet any situation	2.91
Gaining more funds for investment in technology	2.66
Increased purchasing power	2.87
Capital formation for starting and expanding business	2.84
Enhanced source of income	2.63
Gaining better economic status	2.94
Increased Per capita income of family	2.79
Increased Value of assets owned by family	2.80
Increased consumption of nutritious food	2.82
Increase in expenditure on luxuries	3.29
Increased expenditure on clothing	3.10
Increased level of consumption	3.30
Decrease in crisis situation in family	3.44

Table shows that women's association with BCs, along with improvements in living standards, poverty reduction, a decline in family crises, increased consumption, and a reasonable rise in spending on luxuries, have given them the resilience to handle emergency situations successfully. However, the women have not made as much progress on other economic fronts as men, such as an increase in the value of assets, an increase in nutrient intake, an increase in family per capita income, a better economic status, an improved source of income, capital formation for establishing and expanding businesses, an increase in funds for investing in technology, an increase in purchasing power, and having enough savings to cover any unforeseen circumstances.

PERSONAL EMPOWERMENT OF WOMEN DUE TO THEIR ASSOCIATION WITH BCS

The personal empowerment gained by women due to their association with BCs has been unearthed using statements in Likert's five point scale and the results are depicted in table

Personal Empowerment of Women due to their Association with BCs

Statement	Mean
Decision making capacity	2.86
Independent choice of education	3.28
Independent choice of professional carrier	3.24
Involvement in economic activities	2.96
Gaining general awareness	3.18
Participation in policy decision making	3.38
Engagement in income generating activity	3.36

Control over utilising loan and income from the loan	2.80
Freedom from domination and abuse	3.00
Improvement in technical skills	2.82

The average values for all the statements used to measure the personal empowerment obtained by women hover around the three-point level, which shows that women in general have only made average gains on personal grounds as a result of their involvement with BCs. The means for taking part in decision-making, engaging in income-generating activities, independently selecting a professional path, independently selecting a course of study, and accumulating general knowledge are slightly, though not significantly, above average.

IMPACT OF FINANCIAL INCLUSION ON SOCIAL EMPOWERMENT OF WOMEN

The impact of financial inclusion gained by women through access, availability of banking services from BCs and usage of banking services availed by them from BCs on their social empowerment has been assessed using Regression Analysis and the results are displayed in tables

ANOVA (Impact of Financial Inclusion on Social Empowerment of Women)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.752	2	2.376	4.101	0.018
	Residual	172.085	297	0.579		
	Total	176.837	299			
R ²	0.127					

Table highlights that the independent variables of access and availability of banking services and usage of banking services through BCs explains 12.7% variance of the dependent variable of social empowerment gained by women. Further, the F value is significant at 2% level, suggesting that the Regression model is fit.

Coefficients (Impact of Financial Inclusion on Social Empowerment of Women)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	Constant	2.468	0.200	12.329	0.000
	Access & availability	0.124	0.095	1.308	0.192
	Usage	0.141	0.061	2.315	0.021

Highlights that usage of banking services through BCs alone exerts significant positive impact on social empowerment gained by women through their association with BCs. Based on the Regression results, the following model is derived:

Social Empowerment = 2.468 + 0.141* Usage of Banking Services

IMPACT OF FINANCIAL INCLUSION ON ECONOMIC EMPOWERMENT OF WOMEN

The impact of financial inclusion gained by women through accessibility of banking services from BCs and the usage of banking services availed by them from BCs on economic empowerment has been assessed using Regression and the results are indicated in tables

ANOVA (Impact of Financial Inclusion on Economic Empowerment of Women)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.598	2	1.799	6.442	0.002 ^b
	Residual	82.947	297	0.279		
	Total	86.545	299			
R ²	0.142					

Table suggests that the independent variables of access and accessibility of banking services and usage of banking services through BCs explain 14.2% variance of the dependent variable of economic empowerment. The table further highlights fitness of the Regression model as the F value is significant at one per cent.

Coefficients (Impact of Financial Inclusion on Economic Empowerment of Women)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	Constant	1.691	0.139	12.171	0.000
	Access & Availability	0.223	0.066	3.386	0.001
	Usage	0.028	0.042	0.652	0.515

Table suggests that only Access & Availability of financial services through BCs exerts significant impact on economic empowerment gained by women from using BCs. Based on the Regression results, the following model has been arrived at:

Economic Empowerment = 1.691 + 0.223* Access and Availability of Banking Services through BCs

IMPACT OF FINANCIAL INCLUSION ON PERSONAL EMPOWERMENT OF WOMEN

The impact of financial inclusion gained by women through accessibility of banking services and the usage of banking services availed by them from BCs on personal empowerment has been unearthed using Regression and the results are portrayed in tables

ANOVA (Impact of Financial Inclusion on Personal Empowerment of Women)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.255	2	2.627	14.431	0.000
	Residual	54.074	297	0.182		
	Total	59.329	299			
R ²	0.289					

Highlights that the independent variables of usage of banking services and access and availability of banking services through BCs explain 28.9% variance of the dependent variable of personal empowerment. The table further suggests that the Regression model is perfectly fit as the F value is significant at one per cent.

Coefficients (Impact of Financial Inclusion on Personal Empowerment of Women)

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 Constant	1.291	0.112	11.508	0.000
Access and Availability	0.073	0.053	1.382	0.168
Usage	0.168	0.034	4.916	0.000

Showcases that usage of banking services through BCs alone exerts significant positive impact on personal empowerment gained by women due to financial inclusion. Using the Regression results, the following model has been arrived at:

Personal Empowerment = 1.291 + 0.168*Usage of Banking Service through BCs

CONCLUSION

This study has shed light on Gujarati women's perceptions of the accessibility, availability, and use of banking services through BCs. The study also emphasizes the degree of social, economic, and personal empowerment attained by women who use BC services. The findings show that social and economic empowerment have the greatest influences on personal empowerment. Additionally, using banking services has a big beneficial impact on social and personal empowerment, whereas having access to banking services through BCs has a big positive impact on economic empowerment.